(c) whether all the banks have worked on the advice of Government in this regard;

(d) if not, which are the banks who are not implementing the advice of Government; and

(e) what action Government propose to take against the erring banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) As a part of performance obligations and commitments finalised with Reserve Bank of India (RBI) all nationalised banks are required to constitute Recovery Cells at their Head Offices, under the charge of a General Manager.

In terms of the provisions of the Recovery of Debts due to Banks and Financial Institutions Act, 1993, every suit or other proceeding pending before any Court immediately before the date of establishment of a Tribunal under this Act being suit or proceedings the cause of action whereon it is based is such that it would have been, if it has arisen after such establishment, within the jurisdiction of such Tribunal, shall stand transferred on that date to such Tribunal. Furthermore, Government have also advised all nationalised banks to identify the fresh cases of Rs. 10 lakhs and above and pursue them with Tribunals.

(c) Public Sector banks have taken necessary steps to set up Recovery Cells. They have also started referring their NPAs to the Recovery Tribunals as per the provisions of the Act.

(d) and (e) Do not arise.

Lack of risk management skills and inadequate management information system in Banks

683. MISS SAROJ KHAPARDE: Will the Minister of FINANCE be pleased to state:

(a) whether it is" a fact that most of the public Sector Banks are having lack of risk management skills and inadequate management information system which are hampering their growth and causing losses to them;

(b) if so, details thereof; and

(c) what remedial measures Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) According to Reserve Bank of India (RBI) it is not altogether correct to say that most of the public sector banks are lacking in risk management skill and adequate management information system which are hampering their growth and causing losses to them. All the public sector banks have well established systems and procedures and well qualified personnel for handling risks which are inherent in the business of banking. RBI has as a regulator/supervisor has been keeping close watch on the systems and procedures of banks.

(b) and (c) Banks have well established management information system such as (i) periodical control returns on all aspects of their business, (ii) visits by higher authorities to branches/controlling offices, (iii) periodical review of matters by the banks/Board/ Managemnent Committees/top management, to name a few important aspects such' as investment portfolio, working results, overseas operations, frauds, loss making branches, bank's balance sheet profitability and working results, asset classification etc; (iv) periodical internal inspection/audit reports, RBI inspection and statutory audit reports.

RBI reviews these as well as other aspects of functioning of the banks on an ongoing basis.

Measures to widen income-tax collection base

684. SHRI GOVINDRAO ADIK: Will the Minister of FINANCE be pleased to state:

(a) whether Government have taken a series of measures to widen the income-tax collection base;

(b) if so, the details thereof;

(c) the details of response received from the tax payers to the new policy package/measures of Government; and

(d) the details thereof in major cities in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir.